

1974

AR38

*Handwritten notes:*  
Larry  
empty box has  
for  
piece

1974

# DOMINE MINES LIMITED

## Report to Shareholders

For the Financial Year Ended December 31

1974



Digitized by the Internet Archive  
in 2024 with funding from  
University of Alberta Library

[https://archive.org/details/Dome1986\\_1974](https://archive.org/details/Dome1986_1974)

# DOMINE MINES LIMITED

## Report to Shareholders

For the Financial Year Ended December 31

1974

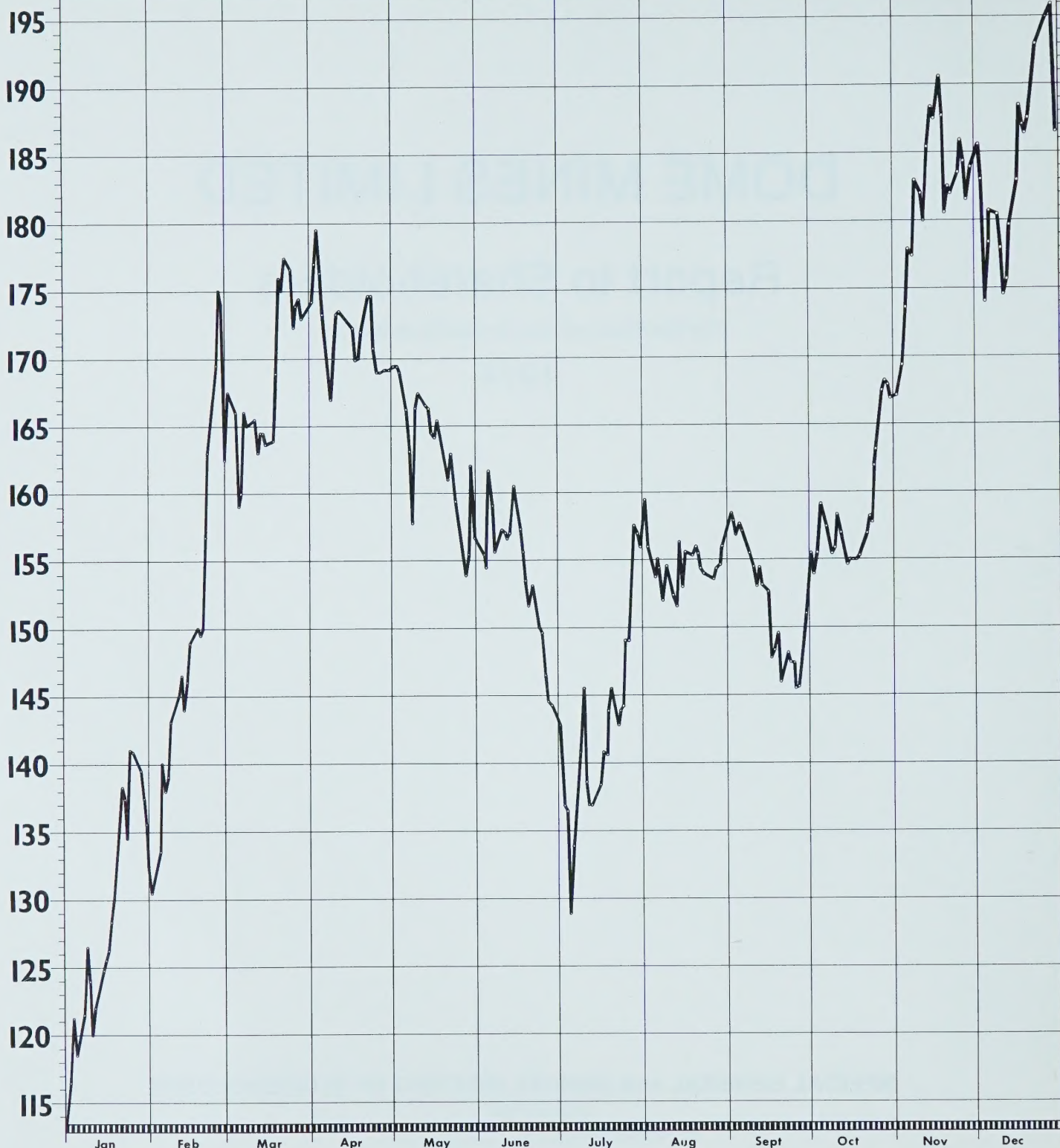
### **SPECIAL GENERAL and ANNUAL MEETING OF SHAREHOLDERS**

will be held  
at 10:30 o'clock a.m. (Toronto time)  
Monday, April 28, 1975  
Library, Royal York Hotel,  
TORONTO, ONTARIO



\$

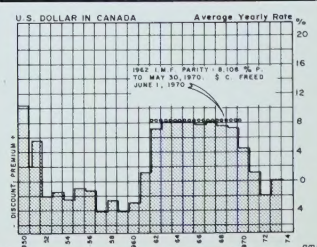
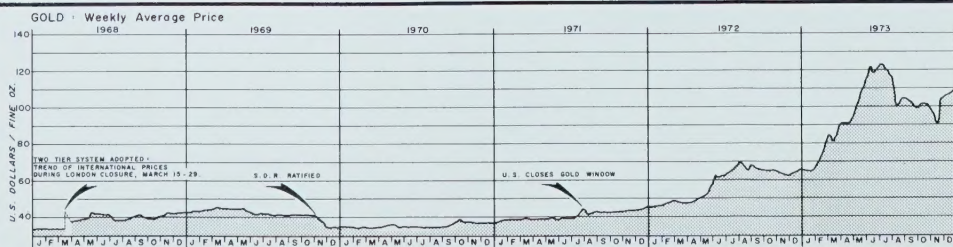
U.S. DOLLARS / FINE OZ.



LONDON ; Second FIXING  
IN U.S. DOLLARS

## 1974 DAILY GOLD PRICE

DOMINE MINES LIMITED



# DOMINE MINES LIMITED

(Incorporated under the laws of Canada)

---

## LOCATION OF MINE AND HEAD OFFICE

South Porcupine, Ont. P0N 1H0  
Canada

---

## ADDRESS OF THE PRESIDENT

365 Bay Street, Suite 600, Toronto, Ont. M5H 2V4

---

## ADDRESS OF THE SECRETARY

Box 30, Toronto-Dominion Centre,  
Toronto, Ont. M5K 1C1

---

## REGISTRARS

Canada Permanent Trust Company  
320 Bay Street, Toronto, Ont. M5H 2P6  
Bankers Trust Company, 16 Wall Street, New York, N.Y. 10015

---

## TRANSFER AGENTS

Crown Trust Company, 302 Bay Street, Toronto, Ont. M5H 2P4  
The Bank of New York, 48 Wall Street, New York, N.Y. 10015

---

## AUDITORS

Clarkson, Gordon & Co. — Toronto, Ont. M5K 1J7

---

## SOUTH PORCUPINE OPERATIONS

Manager — Harry V. Pyke  
General Superintendent — Robert J. Perry

---

## EXPLORATION DEPARTMENT

G. S. Wallace Bruce  
Vice-President Exploration  
365 Bay Street, Suite 600, Toronto, Ont. M5H 2V4

---

## GENERAL COUNSEL

Fasken & Calvin  
Box 30, Toronto-Dominion Centre,  
Toronto, Ont. M5K 1C1



**DIRECTORS**

Clifford W. Michel ..... New York, N.Y.  
F. Warren Pershing ..... New York, N.Y.  
A. Bruce Matthews ..... Toronto, Ont.  
James B. Redpath ..... Toronto, Ont.  
William F. James ..... Toronto, Ont.  
Allen T. Lambert ..... Toronto, Ont.  
Charles P. Girdwood ..... Prescott, Ont.  
Fraser M. Fell ..... Toronto, Ont.  
\*William R. Biggs ..... Washington, D.C.

\*deceased — October 9, 1974

---

**OFFICERS**

Clifford W. Michel  
Chairman of the Board and Treasurer

James B. Redpath  
President

Fraser M. Fell  
Secretary

Charles P. Girdwood  
Vice-President

G. S. Wallace Bruce  
Vice-President Exploration

Edmund J. Andrecheck  
Assistant Treasurer

Harry V. Pyke  
Manager

Robert J. Perry  
General Superintendent

---

It is recorded here that it is the intention of the present management to solicit proxies. The form of proxy and the information circular will accompany the Notice of Special General and Annual Meeting which is being mailed to all shareholders.

**COMPARATIVE CONSOLIDATED FINANCIAL SUMMARY**

	<u>1974</u>	<u>1973</u>
Bullion Revenue .....	\$63,332,000	\$43,508,000
Operating Costs .....	\$25,159,000	\$19,869,000
Operating Profit .....	\$38,173,000	\$23,639,000
Exploration Expenses .....	\$ 1,273,000	\$ 1,147,000
Taxes (Provincial and Federal) .....	\$19,093,000	\$ 9,795,000
Net Income .....	\$20,979,000	\$13,763,000**
Net Income per share .....	\$3.59	\$2.36*
Working Capital — December 31 .....	\$45,430,000	\$37,325,000
Dividends Declared .....	\$ 5,548,000	\$ 3,017,000
Dividends declared per share .....	\$0.95	\$0.52*
Shares Issued .....	5,840,004	5,840,004*
Number of Shareholders — December 31 .....	7,768	6,206

\* 1973 figures restated to give effect to 3 for 1 stock split May 10, 1974.

\*\* Net income restated as per Note 1 to financial statements.



## REPORT OF THE DIRECTORS

of

# Dome Mines Limited

(For the Financial Year Ended December 31, 1974)

Toronto, Ontario,  
February 24, 1975.

To the Shareholders of  
Dome Mines Limited:

On behalf of your Directors, the undersigned are pleased to submit their joint report covering the financial year ended December 31, 1974. This report includes the balance sheet and statements of income, retained earnings and changes in financial position which consolidate your Company's interests in its subsidiaries. Campbell Red Lake Mines Limited, Sigma Mines (Quebec) Limited, and your Company's consolidated equity in the earnings of its affiliate, Dome Petroleum Limited, together with the Report of the Auditors thereon.

During the year, your Company increased its authorized capital from 2,000,000 to 10,000,000 shares and subdivided the issued shares on a three-for-one basis. In this letter and accompanying report, all per share figures have been restated to give effect to the 5,840,004 shares now issued.

Consolidated net income aggregated \$20,979,000 or \$3.59 per share, as compared with restated earnings of \$13,763,000 or \$2.36 per share in 1973. This consolidated income is the highest the Company has recorded since operations began in 1911. From these earnings total dividends of 95¢ per share were declared including extras of 32¢ per share, an increase of 83% over the declarations of the preceding year.

The increase in net income is primarily due to a higher price for gold. The average price received per ounce for gold sales during the year was \$154.68, as compared with \$97.33 in 1973. This substantial increase overcame sharply higher operating costs due to continuing and escalating inflation in addition to unprecedented increases in rates of taxation. Of substantial importance to our earnings, is our equity in Dome Petroleum Limited. This company benefitted from the substantial capital investment program and completion of projects of the past several years. Our equity in the earnings of Dome Petroleum has increased consolidated earnings by \$5,666,000 or \$0.97 per share in 1974, compared with \$2,587,000 or \$0.44 per share in 1973. Your Company and its subsidiaries now hold a total of 2,400,000 shares or 21% of the issued shares. These shares had a market value of \$42,300,000 based on the 1974 closing bid price on the Toronto Stock Exchange.

The subsidiary companies, Campbell Red Lake Mines Limited and Sigma Mines (Quebec) Limited had historically high earnings being favourably influenced by the increased gold price; both contributed substantially to the consolidated earnings of your Company. Summaries of their operations are included in this report; enclosed is a postal card which may be used to request copies of the 1974 Annual Reports of Campbell, Sigma and Dome Petroleum.

Your Company increased its working capital position by \$8,105,000 to a total of \$45,430,000. With this strong financial posture, we intend to increase our overall exploration and investment budgets in all areas of Canada.

Provisions for federal and provincial taxes were increased as both levels of government introduced legislation changing the various statutes under which they collect taxes. Federal proposals unfavourably affect depletion and the deductibility of provincial mining taxes. Proposals for changes in provincial regulations will substantially increase the rates of taxation retroactive to April 9, 1974 in Ontario and April 1, 1974 in Quebec. With the increase in consolidated net income in 1974 amounting to 52%, taxes on income would naturally increase. Although the federal and provincial legislative amendments have not yet been enacted, our 1974 tax provisions have been calculated on the basis of the best



information available and have had the effect of substantially increasing income taxes by 80% to \$12,748,000 and provincial mining taxes by 134% to \$6,345,000 as compared with the previous year. We particularly bring to the attention of our shareholders Note 2 of the financial statements on pages 12 and 13 of this report.

Mineral exploration was again increased with costs pro-rated between the parent company, our principal subsidiaries Campbell and Sigma, and our affiliate Dome Petroleum. The exploration program is covered in detail on page 21 of this report.

With the higher gold price, the search for gold deposits accounts for an increasing portion of our exploration budget.

The greatest part of our holdings in Mattagami Lake Mines Limited and Canada Tungsten Mining Corporation Limited, result from your Company's participation in mineral exploration projects. Mattagami holds a substantial interest in a zinc refinery at Valleyfield, Quebec, operated by Canadian Electrolytic Zinc Limited, and a 60% interest in Matatabi Mines Limited in the Sturgeon Lake District of Ontario. Your Company received dividends amounting to \$1,123,000 from this source during the year.

During the year, Canada Tungsten Mining Corporation changed its source of ore from the open pit to the recently developed underground ore body. This change together with improvements to plant and townsite required heavy capital expenditures and no dividends were declared during the year.

An examination of the chart at the beginning of this report, entitled "1974 Daily Gold Price", clearly indicates the volatile action of the precious metal which your Company and its subsidiaries produce. Expressed in U.S. dollars, the price opened the year at \$117 per ounce and climbed rapidly to \$180 by April, then reacted to approximately \$129 in July. At this point the U.S. Government began to indicate a change in its policy that would permit its citizens to legally hold gold beginning in 1975, causing a move to \$195 per ounce during December with the year's closing at \$187. As the chart also discloses, the long term price trend continued its upward course which began in 1971. These gyrations in 1974 took place within a framework of unsettled confidence associated with an unparalleled world-wide price inflation on one hand, and the beginning of a business recession on the other. Financial uncertainties existing during the year were interest rates at historic high levels, international balance of payments deficits related to the Arab oil cartel's pricing policies, and a continuing decline of the U.S. dollar exchange rate against those of its major trading partners. It would appear that at a time when the U.S. dollar weakens in a world where exchange rates are no longer fixed but "float", there is a tendency to destroy confidence in all paper currencies and stimulate the demand for gold.

On October 9th, 1974, a great loss was suffered by your Company in the death of Mr. William R. Biggs, a director since 1960. His sound judgment and wise counsel will be greatly missed.

It is a pleasure for your Directors to record their appreciation for the planning and direction by management and staffs at the various properties and to thank all employees for their efforts in increasing the efficiency of these operations.

Respectfully submitted,

On behalf of the Board,

CLIFFORD W. MICHEL,  
Chairman.

JAMES B. REDPATH,  
President.



# Dome Mines Limited

## ACCOUNTING POLICIES DECEMBER 31, 1974

The following are the principal accounting policies followed by the company and its subsidiaries.

**A. Basis of consolidation**

The financial statements consolidate the accounts of all the subsidiary companies, Dome Exploration (Canada) Limited (wholly-owned), Campbell Red Lake Mines Limited (57% owned) and Sigma Mines (Quebec) Limited (63% owned); the investment in Dome Petroleum Limited (21% owned) is accounted for on the equity basis.

**B. Valuation of inventories**

Bullion is valued at its estimated net realizable value. Inventory of mining and milling supplies are valued at cost determined on an average cost basis.

**C. Valuation of investments**

Marketable securities and other investments with a quoted market value are valued at cost. All other investments are carried at cost except for:

- (a) shares acquired as a result of development work which are carried at nominal value (the only exception being with respect to shares of Panarctic Oils Ltd., acquired for development work which, because of underlying worth as indicated by the valuations placed on recent changes in ownership have, since January 1, 1973, been carried at the amount expended since that date with deferred income taxes arising as a result of writing these expenditures off for income tax purposes included as a deferred credit) and,
- (b) certain other investments which are carried at cost less amounts written off.

**D. Valuation of capital assets**

- (i) Buildings, machinery and equipment are shown at cost. Mining claims and properties are at cost less amounts written off.
- (ii) Upon sale or retirement, the cost of capital assets and the related depreciation or amortization are removed from the accounts and any gain or loss is taken into income.
- (iii) Repairs and maintenance are charged to operations; major betterments and replacements are capitalized.

**E. Depreciation and amortization**

- (i) Depreciation on buildings, machinery and equipment is provided at the rate of 15% per annum on the straight-line method.
- (ii) Mining claims and properties are being amortized at the rate of 15% per annum on the straight-line method.

**F. Mine development and exploration expenditures**

All mine development, shaft sinking, and exploration expenditures are charged against income as incurred.

**G. Income and mining taxes**

The companies follow the tax allocation method of accounting. Under this method, timing differences between the amount of income reported for tax purposes and the amount of accounting income (which arise principally as a result of claiming depreciation and exploration at rates differing from those recorded in the accounts), result in provisions for deferred taxes and these are segregated in the deferred income and mining tax account at the year-end.

# Dome Mines Limited

## CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1974 (with comparative figures for the year 1973)

	1974	1973 As restated (note 1)
<b>Bullion revenue</b> .....	\$63,332,000	\$43,508,000
<b>Operating costs:</b>		
Development .....	3,493,000	2,862,000
Mining .....	13,636,000	10,766,000
Milling .....	4,404,000	3,586,000
Refining and marketing .....	334,000	232,000
General and administrative .....	2,142,000	1,509,000
Other taxes .....	230,000	217,000
Depreciation and amortization .....	920,000	697,000
	<u>25,159,000</u>	<u>19,869,000</u>
<b>Operating profit</b> .....	38,173,000	23,639,000
<b>Other income:</b>		
Dividends .....	1,306,000	776,000
Interest on Dome Petroleum Limited Income debentures .....		314,000
Other interest, etc. ....	3,471,000	1,905,000
	<u>42,950,000</u>	<u>26,634,000</u>
<b>Outside exploration expenditures</b> .....	1,273,000	1,147,000
<b>Income before taxes and other items</b> .....	<u>41,677,000</u>	<u>25,487,000</u>
<b>Income and mining taxes (note 2)</b>		
Federal income tax .....	9,613,000	5,418,000
Provincial income taxes .....	3,135,000	1,665,000
Provincial mining taxes .....	6,345,000	2,712,000
	<u>19,093,000</u>	<u>9,795,000</u>
<b>Income after taxes, before other items</b> .....	22,584,000	15,692,000
Equity in earnings of affiliated company (note 3) .....	5,666,000	2,587,000
Minority interest in net income of subsidiary companies .....	(7,271,000)	(4,516,000)
<b>Net income for the year</b> .....	<u>\$20,979,000</u>	<u>\$13,763,000</u>
<b>Net income per share (note 7)</b> .....	<u>\$3.59</u>	<u>\$2.36</u>

(See accompanying notes to consolidated financial statements)



# D O M E M I N E

(Incorporated under the laws of the State of Nevada)

## CONSOLIDATED BALANCE SHEET

(with comparative figures for 1973)

### A S S E T S

	1974	1973
		As restated (note 1)
<b>Current Assets:</b>		
Cash, including bank term deposits .....	\$ 16,301,000	\$10,058,000
Bullion (note 4) .....	10,025,000	6,420,000
Short term commercial paper, at cost .....	23,238,000	20,164,000
Marketable securities (schedule attached) .....	6,174,000	5,060,000
Sundry receivables .....	1,383,000	733,000
Mining and milling supplies .....	4,168,000	2,517,000
	<u>61,289,000</u>	<u>44,952,000</u>
<b>Investments:</b>		
Affiliated company (note 3) .....	39,375,000	31,565,000
Other, (schedule attached) .....	4,669,000	1,521,000
	<u>44,044,000</u>	<u>33,086,000</u>
<b>Capital Assets:</b>		
Buildings, machinery and equipment .....	22,873,000	21,458,000
Less accumulated depreciation .....	19,002,000	18,265,000
	<u>3,871,000</u>	<u>3,193,000</u>
Mining claims and properties (note 5) .....	618,000	638,000
	<u>4,489,000</u>	<u>3,831,000</u>
	<u>\$109,822,000</u>	<u>\$81,869,000</u>

(See accompanying notes to consolidated financial statements)

### AUDITORS

To the Shareholders of  
Dome Mines Limited:

We have examined the consolidated balance sheet of Dome Mines Limited and its subsidiaries as at December 31, 1974 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

# L I M I T E D

(Incorporated in the laws of Canada)

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 1974  
(December 31, 1973)

## LIABILITIES

	1974	1973
		As restated (note 1)
<b>Current Liabilities:</b>		
Salaries and wages payable .....	\$ 884,000	\$ 669,000
Accounts payable .....	1,224,000	757,000
Accrued charges .....	464,000	342,000
Accrued taxes (note 2) .....	8,808,000	3,811,000
Dividends payable .....	4,479,000	2,048,000
	<u>15,859,000</u>	<u>7,627,000</u>
<b>Deferred income and mining taxes (note 2) .....</b>	<b>358,000</b>	<b>333,000</b>
<b>Minority interest in subsidiary companies .....</b>	<b>14,739,000</b>	<b>10,474,000</b>
<b>Shareholders' equity</b>		
Capital (note 7)		
Authorized:		
10,000,000 shares of no nominal or par value		
Issued:		
5,840,004 shares .....	7,000,000	7,000,000
Contributed surplus .....	3,606,000	3,606,000
Retained earnings .....	68,260,000	52,829,000
	<u>78,866,000</u>	<u>63,435,000</u>
On behalf of the Board:	<u>\$109,822,000</u>	<u>\$81,869,000</u>
	J. B. REDPATH, Director	
	F. M. FELL, Director	

(Consolidated financial statements)

## REPORT

In our opinion these consolidated financial statements present fairly the financial position of Dome Mines Limited and its subsidiaries as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the provision for deferred taxes (related to deferred exploration and drilling expenses) in the equity in earnings of Dome Petroleum Limited as explained in note 1 to the financial statements.

Toronto, Canada,  
January 31, 1975.

CLARKSON, GORDON & CO.,  
Chartered Accountants

# Dome Mines Limited

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1974 (with comparative figures for the year 1973)

	1974	1973 As restated (note 1)
<b>Source of working capital:</b>		
Operations —		
Net income for the year .....	\$20,979,000	\$13,763,000
Items not affecting working capital		
Depreciation and amortization .....	920,000	697,000
Increase in deferred income taxes .....	25,000	191,000
Equity in undistributed earnings of affiliated company (note 3) ..	(5,666,000)	(2,587,000)
Minority interest in income of subsidiaries less dividends paid .....	4,265,000	3,032,000
<b>Total</b> .....	<u>20,523,000</u>	<u>15,096,000</u>
<b>Disposition of working capital:</b>		
Dividends .....	5,548,000	3,017,000
Expenditures on capital assets (net) .....	1,481,000	1,718,000
Purchase of shares of affiliated company .....	2,144,000	
Increase in other investments .....	3,148,000	292,000
Purchase of mining claims and properties .....	97,000	
<b>Total</b> .....	<u>12,418,000</u>	<u>5,027,000</u>
<b>Net increase in working capital for the year</b> .....	<u>\$ 8,105,000</u>	<u>\$10,069,000</u>
<b>Changes in components of working capital:</b>		
Increase (decrease) in current assets —		
Cash .....	\$ 6,243,000	\$ 2,957,000
Bullion .....	3,605,000	3,247,000
Short-term commercial paper .....	3,074,000	7,252,000
Marketable securities .....	1,114,000	(105,000)
Accrued interest and sundry accounts receivable .....	650,000	165,000
Mining and milling supplies .....	1,651,000	260,000
	<u>16,337,000</u>	<u>13,776,000</u>
Increase in current liabilities —		
Salaries and wages payable .....	215,000	125,000
Accounts payable .....	467,000	101,000
Accrued charges .....	122,000	144,000
Accrued taxes .....	4,997,000	2,532,000
Dividends payable .....	2,431,000	805,000
	<u>8,232,000</u>	<u>3,707,000</u>
<b>Net increase in working capital for the year</b> .....	<u>8,105,000</u>	<u>10,069,000</u>
<b>Working capital, beginning of the year</b> .....	<u>37,325,000</u>	<u>27,256,000</u>
<b>Working capital, end of the year</b> .....	<u>\$45,430,000</u>	<u>\$37,325,000</u>

(See accompanying notes to consolidated financial statements)



# Dome Mines Limited

## CONSOLIDATED SCHEDULE OF MARKETABLE SECURITIES AND OTHER INVESTMENTS

DECEMBER 31, 1974

(with comparative figures for the year 1973)

	1974		1973	
	Book Value	Market Value	Book Value	Market Value
<b>Marketable Securities:</b>				
Government and government guaranteed				
short-term securities .....	\$1,979,000	\$ 1,987,000	\$1,441,000	\$1,364,000
Corporate bonds .....	1,099,000	1,030,000	1,596,000	1,530,000
Common shares .....	3,096,000	4,556,000	2,023,000	4,830,000
	<u>\$6,174,000</u>	<u>\$ 7,573,000</u>	<u>\$5,060,000</u>	<u>\$7,724,000</u>
<b>Other Investments:</b>				
With a quoted market value —				
Canada Tungsten Mining Corporation				
Limited:				
Shares (1974 — 906,335; 1973				
— 861,200) .....	\$ 498,000	\$ 2,266,000	\$ 327,000	\$ 2,515,000
Mattagami Lake Mines Limited:				
Shares (1974 — 994,600; 1973				
— 400,000) .....	3,501,000	12,805,000	806,000	12,200,000
With no quoted market value —				
Panarctic Oils Ltd.,				
Common shares, no par value				
(1974 — 498,070; 1973 —				
476,302) .....	515,000		257,000	
Sundry .....	155,000		131,000	
	<u>\$4,669,000</u>		<u>\$1,521,000</u>	

(See accompanying notes to consolidated financial statements)

# Dome Mines Limited

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1974 (with comparative figures for the year 1973)

	1974	1973 As restated (note 1)
<b>Balance, beginning of the year</b>		
As previously reported .....	\$56,346,000	\$44,637,000
Adjustment of equity in affiliated company (note 1) .....	3,517,000	2,554,000
As restated .....	52,829,000	42,083,000
Net income for the year .....	20,979,000	13,763,000
	73,808,000	55,846,000
Deduct dividends (\$0.95 per share, 1973 — \$0.52 per share) (note 7) .....	5,548,000	3,017,000
<b>Balance, end of the year</b> .....	<u>\$68,260,000</u>	<u>\$52,829,000</u>

(See accompanying notes to consolidated financial statements)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1974

### 1. Accounting Policies

#### (a) Principal accounting policies —

The principal accounting policies followed by the company and its subsidiaries are summarized under the caption "Accounting Policies".

#### (b) Change in accounting policies —

In 1974 Dome Petroleum Limited retroactively adopted full tax allocation procedures. These included a deferred income tax provision in respect of deferred exploration and drilling expenses not previously reflected in the Company's equity in the earnings of this affiliate. The Company has therefore retroactively adjusted its equity in the earnings of Dome Petroleum Limited to reflect such provision, the effect of which has been to reduce consolidated retained earnings at January 1, 1973 by \$2,554,000 and net income by:

	1974	1973
Amount .....	\$3,059,000	\$963,000
Per share (note 7) .....	52¢	16¢

### 2. Income and Mining Taxes

#### (a) Income and mining taxes consist of:

	1974		1973	
	Current	Deferred	Current	Deferred
Federal income tax .....	\$ 9,594,000	\$19,000	\$5,272,000	\$146,000
Provincial income taxes .....	3,129,000	6,000	1,620,000	45,000
Provincial mining taxes .....	6,345,000		2,712,000	
	<u>\$19,068,000</u>	<u>\$25,000</u>	<u>\$9,604,000</u>	<u>\$191,000</u>

- (b) During 1974 the federal and certain provincial governments introduced legislation to amend the various acts under which they collect income and mining taxes. Although the federal and certain provincial legislative amendments have not been enacted and some of the proposals have not yet been set out in sufficient detail to remove doubt as to their ultimate effect, the 1974 income tax provisions have been calculated on the basis of the best information available. These changes had the effect of increasing the consolidated 1974 tax provision by \$2,980,000 for those portions of the year to which the proposed changes apply.

- (c) One of the federal amendments noted above changed the rate of depletion as of May 6, 1974 from 40% of mining income to the lower of 25% of production profits or the "earned depletion base". The "earned depletion base" is generally equal to one third of the total eligible exploration and capital expenditures subsequent to November 7, 1969, which for Dome amounted to \$1,902,000. Depletion claimed for federal income tax purposes amounted to:

	1974	1973
Prior to May 6 .....	\$4,370,000	\$7,682,000
From May 6 "earned depletion" .....	1,902,000	—
	<u>\$6,272,000</u>	<u>\$7,682,000</u>

Earned depletion claimed in 1974 has eliminated any "earned depletion base" available for subsequent years.

- (d) Income and mining taxes are provided at a combined effective rate of 45.8%, an increase of 7.4% over 1973. The difference between the combined basic statutory rate and that used in calculating the income and mining provision is made up as follows:

	1974	1973
<b>Income taxes:</b>		
Basic statutory rate (combined federal and provincial) .....	50.0%	51.0%
Less: Federal depletion (other than earned) .....	5.0	13.6
Federal "earned depletion" .....	1.1	—
Provincial depletion .....	2.6	4.2
Exempt income* .....	1.4	2.1
Mining tax .....	2.3	3.3
Resource tax abatement .....	7.5	—
Surtax on investment income and sundry other .....	(.5)	—
	<u>19.4</u>	<u>23.2</u>
Effective rate .....	30.6	27.8
<b>Mining taxes:</b>		
Average rate .....	15.2	10.6
Total income and mining tax rate used .....	<u>45.8%</u>	<u>38.4%</u>

\* Principally dividends from Canadian corporations.

### 3. Details of accounting for affiliated company

The investment of 21.3% (1973 — 20.7%) in Dome Petroleum Limited is accounted for on the equity method whereby the company's investment is carried at cost plus its share of undistributed earnings. The company's share of the annual net earnings is reflected currently in income.

Summary of investment:

	1974	1973
Cost of acquisition .....	\$20,351,000	\$18,207,000
Equity in undistributed earnings .....	19,024,000	13,358,000
	<u>\$39,375,000</u>	<u>\$31,565,000</u>
Market value (which is not necessarily indicative of realizable value) .....	\$42,300,000	\$82,925,000
Number of shares .....	<u>2,400,000</u>	<u>2,319,567</u>

The excess of the cost of this investment over the underlying book value at the various dates of acquisition (unamortized balance 1974 — \$9,177,000; 1973 — \$8,242,000) is attributable to Dome Petroleum's oil and gas reserves, and is being amortized to income by reference to annual production in relation to the estimated recoverable reserves.

### 4. Bullion

Bullion on hand and in transit is valued at the net estimated realizable value at the year-end (1974 — \$165 per ounce; 1973 — \$106 per ounce).



**5. Mining claims and properties**

The amounts shown for mining claims and properties are made up as follows:

		<u>1974</u>	<u>1973</u>
Dome Mines Limited —			
Mining claims and properties at nominal value .....		\$ —	\$ —
Sigma Mines (Quebec) Limited —			
Mining claims and properties, at nominal value .....	\$		
Leasehold properties, at cost .....	21,000		
	<u>21,000</u>		
Less accumulated amortization .....	6,000	15,000	18,000
Campbell Red Lake Mines Limited —			
Mining claims and properties, acquired for 1,277,500 shares			
issued at .....	198,000		
Mining claims acquired for cash .....	82,000		
Townsite Land, at cost .....	142,000		
Excess of cost of Dome's investment in shares of Campbell over			
underlying book value at date of acquisition .....	404,000		
	<u>826,000</u>		
Less accumulated amortization .....	223,000	603,000	620,000
		<u>\$618,000</u>	<u>\$638,000</u>

**6. Development**

Development costs include shaft sinking expenditures of \$121,000; 1973 — \$430,000.

**7. Share capital**

On April 29, 1974, the shareholders approved an increase in authorized capital from 2,000,000 to 10,000,000 common shares and the sub-dividing of the issued shares on a three-for-one basis.

**8. Directors and officers**

The aggregate remuneration of the directors and officers of Dome Mines Limited as defined in Section 122.2 of the Canada Corporations Act was as follows:

To the nine directors, as directors .....	\$ 19,000
To the ten officers (four of whom are also directors), as officers .....	\$234,000

\* Includes \$42,000 received by the officers from the wholly and partially-owned subsidiaries.

# Dome Mines Limited

and its subsidiaries

## STATEMENT OF SUPPLEMENTARY INFORMATION

(in thousands of dollars)

	December 31, 1974				December 31, 1973			
	Dome Mines Limited	Campbell Red Lake Mines Limited	Sigma Mines (Quebec) Limited	Consolidated Dome Mines Limited	Dome Mines Limited	Campbell Red Lake Mines Limited	Sigma Mines (Quebec) Limited	Consolidated Dome Mines Limited
Dome's % ownership .....		57%	63%			57%	63%	
Bullion revenue .....	\$19,579	\$31,895	\$11,858	\$63,332	\$15,506	\$19,871	\$ 8,131	\$43,508
<b>Operating expenses –</b>								
Operating costs .....	11,741	5,899	6,599	24,239	8,679	5,200	5,293	19,172
Provision for depreciation and amor- tization .....	285	543	92	920	216	393	88	697
	12,026	6,442	6,691	25,159	8,895	5,593	5,381	19,869
Operating profit .....	7,553	25,453	5,167	38,173	6,611	14,278	2,750	23,639
Other income .....	2,610	1,767	400	4,777	1,955	832	208	2,995
	10,163	27,220	5,567	42,950	8,566	15,110	2,958	26,634
Outside exploration expenses .....	785	378	110	1,273	702	344	101	1,147
	9,378	26,842	5,457	41,677	7,864	14,766	2,857	25,487
<b>Provision for income and mining taxes –</b>								
Federal income tax .....	1,993	6,305	1,315	9,613	1,627	3,154	637	5,418
Provincial income taxes .....	687	2,081	367	3,135	498	971	196	1,665
Provincial mining taxes .....	1,170	4,485	690	6,345	660	1,810	242	2,712
	3,850	12,871	2,372	19,093	2,785	5,935	1,075	9,795
	5,528	13,971	3,085	22,584	5,079	8,831	1,782	15,692
Equity in earnings of affiliate .....	5,447	147*	72*	5,666	2,476	77	34	2,587
<b>Net income .....</b>	<b>10,975</b>	<b>14,118</b>	<b>3,157</b>	<b>28,250</b>	<b>7,555</b>	<b>8,908</b>	<b>1,816</b>	<b>18,279</b>
Minority interest in net income of subsidiaries		(6,093)	(1,178)	(7,271)		(3,840)	(676)	(4,516)
<b>Equity of Dome in net income .....</b>	<b>\$10,975</b>	<b>\$ 8,025</b>	<b>\$ 1,979</b>	<b>\$20,979</b>	<b>\$ 7,555</b>	<b>\$ 5,068</b>	<b>\$ 1,140</b>	<b>\$13,763</b>
<b>Amount per share of Dome Mines Limited .....</b>	<b>\$1.88</b>	<b>\$1.37</b>	<b>\$ .34</b>	<b>\$3.59</b>	<b>\$1.29</b>	<b>\$ .87</b>	<b>\$ .20</b>	<b>\$2.36</b>
<b>Working capital:</b>								
Current assets .....	\$21,566	\$31,454	\$ 8,269	\$61,289	\$20,505	\$18,753	\$ 5,694	\$44,952
Current liabilities .....	5,589	7,979	2,291	15,859	3,033	3,119	1,475	7,627
	\$15,977	\$23,475	\$ 5,978	\$45,430	\$17,472	\$15,634	\$ 4,219	\$37,325
<b>Production:</b>								
Tons milled .....	702	290	498		682	304	521	
Gold-fine ounces .....	121	197	73		149	196	78	

\*Excluding prior period adjustment – Campbell Red Lake Mines Limited \$26 and Sigma Mines (Quebec) Limited \$12.

# REPORT OF THE MANAGER

of

# Dome Mines Limited

on

## OPERATIONS AT SOUTH PORCUPINE, ONTARIO

To the Chairman of the Board, President, and Directors:

I submit for your consideration this report on the operations of your Company for the year 1974.

During the year 701,600 tons of ore were treated in the mill. In the course of mining operations 8,900 tons of waste rock were excavated, most of which was used as backfill, road maintenance or placed on surface stock piles.

The 701,600 tons of ore milled yielded 121,032 ounces of gold, the yield being 0.1725 ounces or 3.45 dwt. per ton.

All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth (1/20th) of an ounce Troy weight. All production was sold on the free market. The price received for gold varied from a low of \$111.24 per ounce to a high of \$186.59 per ounce in Canadian dollars at the exchange rate in effect at the time of each sale. The average price received for gold sold in 1974 was \$152.57 (Canadian) per ounce. This compares with the average price per ounce of \$97.32 received in 1973.

### COSTS:

The expenditure of development was \$1,447,000 or \$2.06 per ton as compared with \$874,000 or \$1.28 per ton milled in 1973.

The expenditure on mining was \$7,320,000 or \$10.44 per ton as compared with \$5,661,000 or \$8.30 per ton milled in 1973.

The total operating charges for the year (excluding depreciation and amortization) were \$11,741,000 or \$16.74 per ton as compared with \$8,679,000 or \$12.72 per ton milled in 1973.

The operating cost per ounce of gold produced was \$97.01 as compared with \$58.44 in 1973.

### DEVELOPMENT:

#### SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR THE YEAR 1974

Level	Drifts	Crosscuts	Drift and Crosscut Slab	Raises	Boxholes	Raise and Boxhole Slab	Totals	Diamond Drilling (Exploration & Direction of Mining)
Surface .....								10,650
1st .....								2,294
3rd .....						13	13	1,205
4th .....								
5th .....								
6th .....								4,341
7th .....	256	52	282	174		20	784	1,099
8th .....	241	466	60				767	3,091
9th .....	309	161	471	71		33	1,045	8,617
10th .....								1,307
11th .....		249	19		233	60	561	6,325
12th .....								2,603
13th .....		16	24	106		23	169	
14th .....			37	69		33	139	1,606
15th .....				81		7	88	
16th .....	63			27	50	48	188	1,087
17th .....	681	694	167	336		31	1,909	8,041
18th .....	341	300	438	384		83	1,546	3,974
19th .....		29	38	64	34	15	180	
20th .....								649
21st .....				744		74	818	523
22nd .....				82		17	99	2,273
23rd .....	608	97	600	74			1,379	8,750
24th .....	397	196	80	216	151	73	1,113	4,583
25th .....	281			349		24	654	3,107
26th .....	23	500	5			7	535	3,914
27th .....	416		24				440	6,137
TOTALS .....	3,616	2,760	2,245	2,777	468	561	12,427	86,176



Development work amounted to 12,427 feet compared with 8,502 feet in the previous year. There was a 13.5% decrease in raise and boxhole footage and an increase of 110% in drift and crosscut footage.

There was no development below the 27th level; development work below the 16th level was 8,673 feet compared with 4,580 feet in the previous year.

The total of 86,176 feet of core diamond drilling (including 10,650 feet of surface drilling) compares with the total of 79,676 feet in 1973.

#### MINING:

The 701,600 tons ore milled during the year were produced as follows:

	Tons	Average Grade Dwt. per Ton
From stopes .....	639,200	3.72
From development .....	<u>62,400</u>	<u>1.95</u>
	<u>701,600</u>	<u>3.57</u>

The following tabulation is presented to indicate the sections of the mine from which the ore came:

Source of Ore	Tons	Average Grade Dwt. per Ton	
8th level to surface, No. 3 shaft .....	13,245	2.60	Dev. & Stope Ore
9th level to 16th level, No. 3 shaft .....	374,855	3.39	Dev. & Stope Ore
Area serviced by No. 6 internal shaft .....	<u>313,500</u>	<u>3.81</u>	Dev. & Stope Ore
Total Mine .....	<u>701,600</u>	<u>3.57</u>	Dev. & Stope Ore
Ore from Ankerite veins .....	<u>35,140</u>	<u>3.47</u>	Dev. & Stope Ore
(included in the above)			

#### ORE RESERVES:

Ore reserves at the close of the year were estimated at 1,871,000 tons with an average grade of 4.81 dwt. as compared with 1,691,000 tons with an average grade of 5.09 dwt. for 1973 and 1,590,000 tons with an average grade of 5.33 dwt. for 1972.

	Tons — 1974	Tons — 1973	Tons — 1972
Unbroken ore .....	1,743,000	1,587,000	1,487,000
Broken ore .....	<u>128,000</u>	<u>104,000</u>	<u>103,000</u>
	<u>1,871,000</u>	<u>1,691,000</u>	<u>1,590,000</u>

The higher average price of gold which prevailed in 1974 has permitted the inclusion of a number of tons of low-grade ore in the year-end reserve calculations. After milling 701,600 tons in 1974 the reserves are 180,000 tons or 10.6% higher than the comparative figure for 1973. Inclusion of this low-grade ore has reduced the overall grade by 5.5% to 4.81 dwt. per ton.

#### MILL:

Following are the milling results:

Tons of ore treated .....	701,600 tons
Average tons per working day .....	1,971 tons
Average grade of ore treated .....	3.57 dwt. per ton
Recovery .....	3.45 dwt. per ton
Recovery percentage .....	96.64%

#### CAPITAL EXPENDITURES:

The details of changes in plant buildings and equipment are as follows:

Mine equipment .....	\$135,000
Reduction building and equipment .....	139,000
Surface buildings and equipment .....	<u>245,000</u>
	\$519,000
Net book value of retirements .....	Nil
Net increase .....	<u>\$519,000</u>

**GENERAL:**

Operating results for the year were beneficially affected by a further increase in the price received for gold and adversely affected by substantial increases in wages, material and services. The increase of 56.8% in the average price received for gold permitted the mining of lower grade ore which resulted in a reduction of 18.5% in the total ounces produced, notwithstanding a modest increase in tons milled in 1974 of 3%. The operating cost per ton increased 32% to \$16.74 and the operating cost per ounce increased 66% to \$97.01. The net effect of the above factors after depreciation and amortization is reflected in a 14% increase in the operating profit from \$6,611,000 in 1973 to \$7,554,000 in 1974.

The following tabulation of Source of Ore illustrates the relative importance of the various mining methods used:

Source of Ore	Tonnage and (% of total)									
	1974	(%)	1973	(%)	1972	(%)	1971	(%)	1970	(%)
Stoping:										
Cut-and-fill .....	294,200	41.9	322,500	47.3	361,600	57.4	368,800	56.0	412,000	59.7
Shrinkage .....	28,200	4.0	57,600	8.4	32,100	5.1	42,100	6.4	89,400	13.0
Long-hole .....	316,800	45.2	268,900	39.4	199,900	31.7	194,800	29.6	150,700	21.8
Development .....	62,400	8.9	33,200	4.9	36,200	5.8	52,300	8.0	38,300	5.5
Totals .....	<u>701,600</u>	<u>100.0</u>	<u>682,200</u>	<u>100.0</u>	<u>629,800</u>	<u>100.0</u>	<u>658,000</u>	<u>100.0</u>	<u>690,400</u>	<u>100.0</u>

The amount of ore from long-hole stoping has more than doubled in the last five years and in 1974 more tons were produced from long-hole stoping than from any other single mining method.

The acquisition of mechanized equipment for both drilling and ore handling, began in 1970 and continued through 1974. At the end of the year we had in operation underground, 17 units of load-haul-dump equipment and 15 multiple drill rigs.

There has recently been some abatement in our loss of experienced employees. More applications are now received for employment than in past years but, in general, experience is limited. The training programs for stope and drift miners continue but the turnover remains high; however, these programs continue to be our main source of miners.

During the year the mill operated at close to capacity, averaging 1,971 tons per milling day.

The table on the page immediately following sets out expenditures of the Company and location of suppliers and illustrates the direct and indirect effect that the Mining and Mineral Industry, in general, and Dome Mines in particular, have on the livelihood of many Canadians.

In conclusion, it gives me much pleasure to record again my sincere appreciation for the support and untiring efforts of the heads of departments and staff and the loyal service of employees. I acknowledge also the support and helpful counsel of the Chairman of the Board, the President, the Vice-President and the Directors.

Respectfully submitted,

HARRY V. PYKE,  
Manager.

South Porcupine, Ontario,  
February 21, 1975.

**LIST OF EXPENDITURES OF THE COMPANY  
AT SOUTH PORCUPINE, ONTARIO  
AND THE LOCATION OF THE VARIOUS SUPPLIERS**

Total amount of wages and salaries .....		\$6,966,000
Income taxes .....		2,680,000
Other taxes (Provincial and Municipal) .....		1,268,000
Workmen's Compensation Board of Ontario Assessments .....		685,000
Unemployment Insurance .....		112,000
Cost of Dome and Canada Pension Plans, Group Life Insurance, Sick Pay, Medical Plan and other employee benefits .....		759,000
<b>Total Equipment, Supplies and Services:</b>		
Mine Equipment, Supplies and Services .....	\$1,897,000	
Mill Equipment, Supplies and Services .....	702,000	
Electric Power .....	423,000	
General Surface Equipment, Supplies and Services .....	2,446,000	
Natural Gas Heating .....	59,000	5,527,000

**Principal Cities and Towns in Canada which Benefit**

Acton	Galt	Nakina	St. John's
Agincourt	Gananoque	Newcastle	St. Sauveur Des Monts
Ajax	Gimli	Newmarket	St. Thomas
Arnprior	Granby	Nobel	Saskatoon
Atikokan	Grimsby	Noranda	Sault Ste. Marie
Balmertown	Guelph	North Bay	Scarborough
Belleville	Haileybury	Notre Dame Du Nord	Schumacher
Bramalea	Halifax		Senneterre
Brampton	Hamilton	Oakville	Sioux Lookout
Burlington	Hull	Orillia	South Porcupine
Calgary	Ignace	Oshawa	Stoney Creek
Cambridge	Islington	Ottawa	Sudbury
Campbellford		Owen Sound	Sunny Brae
Chaput-Hughes	Jellicoe	Pickering	Swastika
Cobalt	Joutel	Pickle Lake	Thornbury
Cochrane		Pointe Claire	Thornhill
Concord	Kakabeka Falls	Port Credit	Thunder Bay
Cooksville	Kamloops	Port Elgin	Tillsonburg
Copper Cliff	Kenora	Port Hope	Timmins
Creighton Mine	King City	Prescott	Toronto
Don Mills	Kirkland Lake	Preston	
Dorval	Kitchener	Prince George	Upsala
Downsview	Lac Du Bonnet	Quebec	
Dryden	Lachine		Val d'Or
Dundas	Lachute	Redditt	Val Gagne
Dunnville	LaSalle	Red Lake	Vancouver
Edmonton	LaSarre	Regina	Victoria
Elliot Lake	Leaside	Renfrew	
Emo	Lindsay	Rexdale	Walkerville
Erindale	London	Richmond Hill	Waterloo
Etobicoke	Madsen	Rouyn	Watson Lake
Farnham	Malton		Weston
Flin Flon	Markham	Sainte-Foy	Whitby
Fort Erie	Mississauga	St. Boniface	Willowdale
Fort Frances	Montreal	St. Catharines	Windsor
Fredericton	McKenzie Island	St. Jean	Winnipeg



Number of Communities, Companies and Individuals through whom Supplies and Services are purchased

	Communities	Companies and Individuals
Alberta .....	3	10
British Columbia .....	5	18
Manitoba .....	6	22
New Brunswick .....	3	3
Newfoundland .....	2	3
Northwest Territories .....	4	8
Nova Scotia .....	3	5
Ontario .....	97	545
Quebec .....	20	72
Saskatchewan .....	1	4
Yukon Territory .....	2	4
Great Britain .....	3	4
United States of America .....	21	25
	<u>170</u>	<u>723</u>

# Dome Exploration (Canada) Limited

(Incorporated under the laws of Canada)

## REPORT OF THE VICE-PRESIDENT

Toronto, Ontario,  
February 21, 1975.

To the Chairman of the Board, President and Directors of  
Dome Mines Limited:

The following report outlines briefly some of the major exploration projects undertaken by Dome Exploration (Canada) Limited during 1974. Unless otherwise noted, each of these programs is shared on the following basis:

Dome Mines Limited .....	40%
Dome Petroleum Limited .....	33%
Campbell Red Lake Mines Limited .....	21%
Sigma Mines (Quebec) Limited .....	6%

In the case of joint ventures with outside partners, the term "Dome Group" followed by a percentage figure indicates the amount of collective participation of the above companies.

The 1974 exploration program, Dome's largest to date, involved fifty-four major projects, all of which were managed and financed by your Group. In addition, your Group participated in eighteen exploration ventures with others.

The above program included twenty-nine new projects and twenty-five projects which were carried over from 1973. Many of the 1974 projects will be continued in 1975.

During 1974, on projects managed and financed solely by your Group, 113 exploration diamond drill holes were completed, 651 claims were staked, 67 claims were optioned and ground geophysical surveys were carried out on nine projects. Airborne geophysical surveys were carried out on two areas in Ontario for a total of 290 line-miles.

### QUEBEC:

During 1974, your Group carried out various types of detailed exploration on twelve major projects which involved extensive ground geophysical surveys and fifty-three drill holes.

In addition, your Group carried out exploration programs on claims staked as a result of five separate airborne geophysical surveys released by the Quebec Department of Natural Resources. One of these programs, now completed, involved fifteen drill holes. Exploration on the other four projects will continue in 1975.

Other programs started in the Abitibi area included extensive detailed exploration, involving a substantial drilling program on a base metal belt and the optioning of a gold property in the Val d'Or area. The former program has yielded some encouragement and will be continued in 1975. The latter will involve a long-term, major drilling program. Two areas, west of Mattagami, were selected for further exploration. This involved the staking of nine new claim blocks which will be explored in detail in 1975.

On the property of Clinton Copper Mines Ltd. (Dome Group, excluding Dome Petroleum, approximately 39%), development and mining were carried out on the "O" Zone from a ramp driven from surface. This work was undertaken as an exploratory program combined with production from this readily accessible ore body. The work was commenced when the prevailing price for copper was at an historical high and the operation would have carried itself. However, due to a shortage of manpower, the contractor was not able to meet his mining schedule until late in the year. By that time the price of copper had dropped to the 60¢ per pound level and as it is now anticipated that the project will show an operating loss, we have written off our share of the exploration and development costs.

During the year, 52,656 tons grading 2.64% copper, 2.51% zinc, 0.47% lead, 0.012 oz. per ton gold and 0.96 oz. per ton silver, were milled at the plant of the Sullivan Mining Group at Stratford, Quebec.

Due to the low prices prevailing for copper in the latter part of the year, it was necessary to remove from diamond drill indicated reserves approximately 45,000 tons. The operation is being continued to mine out the available ore up to surface following which the operation will close down. During the winter months, concentrate is being stockpiled awaiting the opening of water transportation.

### ONTARIO:

During 1974, your Group carried out five major drilling programs, two airborne geophysical programs, a gold prospecting venture, and the acquisition of claims in a number of areas.

Two of the programs mentioned above included the final drilling phases of airborne geophysical programs carried out in previous years. These programs involved an aggregate of twenty-one drill holes.

In a relatively unexplored portion of the Clay Belt, a program involving sixteen drill holes was carried out to test Turam anomalies in an area of favourable geology.

Two gold prospects were optioned and twenty-three drill holes were completed on these prospects. As a result of a continuing prospecting venture, a group of sixteen claims was staked to cover widespread, low-grade gold indications in northwestern Ontario. Intensive exploration of this property will be carried out in 1975.

To further evaluate an area in which interesting mineralization was found, your Group carried out a limited airborne geophysical survey. No significant anomalies were found.

In an area near a former gold producer, your Group staked sixty claims on which gold prospecting will be carried out. Since this area also has base metal potential, it was covered by an airborne geophysical survey which disclosed several conductive anomalies which also will be investigated.

**MANITOBA:**

Your Group maintained a property consisting of 342 claims centered around a gold prospect in northern Manitoba. Plans were made for a drilling program to be started early in 1975.

**NORTHWEST TERRITORIES:**

Your Group acquired, by staking, a small claim block in the Barren Lands. These were acquired to cover base metal indications.

**WESTERN CANADA:**

During 1974, your Group participated in six joint ventures in British Columbia, all of which are major continuing programs. Drilling was carried out on four separate properties and further drilling is scheduled for 1975.

Two joint-venture programs were carried out in the Yukon; one of these was completed and the other will continue in 1975.

**ALASKA:**

Your Group, during the year, participated with outside partners (Dome Group, 33⅓%) in a continuing exploration program in Alaska. During 1975, further exploration will be carried out on two prospects which resulted from this program.

Dome Mines Limited has a 33⅓% interest in a continuing regional prospecting program in Alaska. Several interesting prospects were found and will be explored in 1975.

**GENERAL:**

Your Group, (Dome Group, approximately 4%) continued its participation in an international consortium to investigate methods of mining metal-bearing nodules from the deep-ocean floor.

Your Group participated in a number of prospecting ventures in various parts of Canada.

In addition to the foregoing, 193 routine proposals were considered by your Group.

Yours faithfully,

G. S. W. Bruce,  
Vice-President.



FIVE YEAR CONSOLIDATED REVIEW

	1974	1973	1972	1971	1970
<b>Production:</b>					
Tons milled/fine ounces (in thousands) —					
Dome Mines Limited .....	702/121	682/149	630/146	658/170	690/181
Campbell Red Lake Mines Limited .....	290/197	304/196	303/197	303/196	262/179
Sigma Mines (Quebec) Limited .....	498/73	521/78	520/86	510/90	511/89
Recovery value per ton —					
Dome Mines Limited .....	\$ 27.89	\$ 22.73	\$ 14.08	\$ 9.18	\$ 9.65
Campbell Red Lake Mines Limited .....	109.98	65.41	38.31	27.21	25.87
Sigma Mines (Quebec) Limited .....	23.81	15.61	9.72	6.48	6.44
Number of employees at year end .....	1,447	1,369	1,354	1,409	1,496
<b>Financial (in thousands; except per share):</b>					
Bullion revenue .....	\$ 63,332	\$ 43,508	\$ 25,514	\$ 17,589	\$ 16,732
Operating expenses .....	25,159	19,869	15,965	15,401	15,370
Deduct emergency gold mining assistance .....				2,278	2,402
	25,159	19,869	15,965	13,123	12,968
Operating profit .....	38,173	23,639	9,549	4,466	3,764
Interest income from affiliate .....		314	750	750	750
Other income .....	4,777	2,681	1,928	2,024	2,172
	42,950	26,634	12,227	7,240	6,686
Deduct outside exploration expenditures .....	1,273	1,147	937	749	1,071
	41,677	25,487	11,290	6,490	5,615
Provision for taxes*** .....	19,093	9,795	3,738	1,780	1,493
	22,584	15,692	7,552	4,711	4,122
Equity in earnings of affiliate* .....	5,666	2,587	1,406	1,105	728
Deduct minority interest .....	(7,271)	(4,516)	(2,271)	(1,260)	(939)
Income before extraordinary item .....	20,979	13,763	6,687	4,556	3,911
Extraordinary items .....			185	73	365
Net income for the year .....	\$ 20,979	\$ 13,763	\$ 6,872	\$ 11,629	\$ 4,276
Dividends declared .....	\$ 5,548	\$ 3,017	\$ 1,947	\$ 1,557	\$ 1,557
<b>Per share:**</b>					
Income before extraordinary item .....	\$ 3.59	\$ 2.36	\$ 1.14	\$ .78	\$ .67
Net income for the year .....	3.59	2.36	1.18	.79	.73
Dividends .....	0.95	0.52	.33	.27	.26
Working capital at year end .....	45,430	37,325	27,256	22,829	20,975
Total shareholders' equity at year end .....	78,866	63,435	52,689	46,245	43,146
Total assets at year end .....	109,822	81,869	64,194	55,214	51,424
<b>Number of shareholders at year end .....</b>	<b>7,768</b>	<b>6,206</b>	<b>5,673</b>	<b>5,856</b>	<b>6,092</b>

\* Restated to reflect the adoption of the equity method of accounting for the companies' investment in Dome Petroleum Limited after making a provision for deferred income taxes related to both tangible and intangible assets.

\*\* Restated to reflect the 3 for 1 stock split May 10, 1974.

\*\*\* Provision for taxes has been restated to include provincial mining taxes previously included in operating expenses.

**INFORMATION PROVIDED  
IN ACCORDANCE WITH SECURITIES  
EXCHANGE COMMISSION REQUIREMENTS**

**Business and Properties**

The Company has been engaged since 1911 in the operation of a gold mine at South Porcupine, Ontario, Canada, covering an area of 3,459 acres in the Townships of Tisdale, Whitney and Shaw. Ore reserves were estimated at 1,871,000 tons with average grade of 0.241 oz. gold at December 31, 1974. Gold production from South Porcupine operations during 1974 was 121,032 ounces from 701,600 tons milled. Bullion revenue was \$19,580,000, or an average price of \$152.57 per ounce, all from the sale of gold on the free market. The Company had 736 employees at the year-end.

The Company's 57% subsidiary, Campbell Red Lake Mines Limited, has a gold property situated in the Red Lake Mining Division at Balmertown, Ontario, Canada, which began production in 1949. Ore reserves in place were estimated at 1,447,100 tons with average grade of 0.698 oz. gold at December 31, 1974. Gold production during 1974 was 197,369 ounces from 289,833 tons milled. Bullion revenue was \$31,895,000 or an average price of \$158.32 per ounce, all from the sale of gold on the free market. The Company had 313 employees at the year-end.

The Company's 63% subsidiary, Les Mines Sigma (Quebec) Limitee/Sigma Mines (Quebec) Limited, has a gold property situated in the Township of Bourlamaque at Val d'Or, Quebec, Canada, which began production in 1937. Ore reserves in place were estimated at 841,700 tons with an average grade of 0.213 oz. gold at December 31, 1974. Gold production during 1974 was 73,019 ounces from 498,410 tons milled. Bullion revenue was \$11,858,000 or an average price of \$155.95 per ounce, all from the sale of gold on the free market. The Company had 380 employees at the year-end.

The Company's wholly-owned subsidiary, Dome Exploration (Canada) Limited, Toronto, Ontario, Canada, manages a joint prospecting and exploration program for minerals in Canada on behalf of the Company as to 40%, the Company's affiliate Dome Petroleum Limited as to 33%, and the Company's subsidiaries, Campbell and Sigma as to 21% and 6%, respectively. Total exploration expenditures aggregated \$1,755,000 during 1974.

In addition to the Company's gold mining operations, the Company has an extensive investment portfolio as outlined on page 11 of this Annual Report. The Company also has a significant investment in short term commercial paper and bank term deposits as shown on the Company's Consolidated Balance Sheet at December 31, 1974 on page 8 of this Annual Report.

**Directors and Executive Officers**

The name and office held in the Company, principal occupation or employment, and principal business affiliation of each director and executive officer of the Company is as follows:

<u>Name and Office in Company</u>	<u>Principal Occupation or Employment</u>	<u>Principal Business Affiliation</u>
CLIFFORD W. MICHEL, Chairman of the Board, Treasurer and a Director	Investment Broker	General Partner, Kuhn, Loeb & Co., Members New York Stock Exchange Inc., New York, U.S.A.
F. WARREN PERSHING, Director	Investment Broker	Chairman of the Board, Pershing & Co. Inc., Members New York Stock Exchange Inc., New York, U.S.A.
A. BRUCE MATTHEWS, Director	Business Executive	Executive Vice-President, Argus Corporation Ltd., Investment Holding Company, Toronto, Canada.
JAMES B. REDPATH, President and a Director	Mining Executive	Company and subsidiaries.
WILLIAM F. JAMES, Director	Consulting Geologist	Partner, James & Buffam, Consulting Geologists, Toronto, Canada.
ALLEN T. LAMBERT, Director	Banker	Chairman and Chief Executive Officer, The Toronto-Dominion Bank, Toronto, Canada.
CHARLES P. GIRDWOOD, Vice-President and a Director	Mining Executive	Company.
FRASER M. FELL, Q.C., Secretary and a Director	Solicitor	Partner, Fasken & Calvin, Barristers & Solicitors, Toronto, Canada.
G. S. WALLACE BRUCE, Vice-President Exploration	Geologist	Company.
EDMUND J. ANDRECHECK, Assistant Treasurer	Accountant	Treasurer of subsidiary companies of Dome Mines Limited, Toronto, Canada.

### Principal Markets for Company's Shares

The New York Stock Exchange and The Toronto Stock Exchange are the principal markets in which the Company's shares are traded. Shown below are the high and low sales prices for the Company's shares on these exchanges for the periods indicated. As the Company's shares were split 3 for 1 on May 10, 1974, the share prices prior to this date have been restated accordingly:

New York Stock Exchange		1974		1973	
United States dollars		High	Low	High	Low
First Quarter .....		63	51 $\frac{5}{8}$	27 $\frac{7}{8}$	22 $\frac{3}{8}$
Second Quarter .....		65 $\frac{3}{4}$	43	34 $\frac{1}{2}$	25 $\frac{7}{8}$
Third Quarter .....		64 $\frac{1}{2}$	31 $\frac{3}{8}$	34 $\frac{1}{8}$	26 $\frac{3}{8}$
Fourth Quarter .....		59 $\frac{3}{4}$	42	51 $\frac{1}{8}$	27 $\frac{1}{2}$

Toronto Stock Exchange		1974		1973	
Canadian dollars		High	Low	High	Low
First Quarter .....		62 $\frac{3}{8}$	50 $\frac{3}{8}$	27 $\frac{3}{8}$	22 $\frac{3}{4}$
Second Quarter .....		63 $\frac{3}{8}$	42	35 $\frac{1}{8}$	26
Third Quarter .....		62 $\frac{3}{8}$	31 $\frac{1}{2}$	34 $\frac{1}{8}$	26 $\frac{3}{8}$
Fourth Quarter .....		58 $\frac{1}{2}$	41 $\frac{1}{2}$	51	27 $\frac{3}{8}$

### Dividends Paid

The dividends paid on the Company's shares for each quarterly period during 1973 and 1974 are shown below and these figures have been restated for the periods prior to the May 10, 1974 split of the shares on a 3 for 1 basis.

	1974			1973		
	Declared per share			Declared per share		
	Regular	Extra	Total	Regular	Extra	Total
First Quarter .....	\$.08	\$.02	\$.10	\$.07	\$ —	\$.07
Second Quarter .....	.15	—	.15	.08	.02	.10
Third Quarter .....	.20	—	.20	.08	.02	.10
Fourth Quarter .....	.20	.30	.50	.08	.17	.25
Total for Year .....	\$.63	\$.32	\$.95	\$.31	\$.21	\$.52

### Annual Report on Form 10-K

Copies of the Company's form 10-K Annual Report to the United States Securities and Exchange Commission are available to shareholders without charge by writing to Fraser M. Fell, secretary of the company, P.O. Box 30, Toronto-Dominion Centre, Toronto, Ontario, M5K 1C1, Canada.







